REMARKS

Interview Summary

Applicant thanks Examiner Le for the interview granted on June 26, 2007. Dale Lazar, Ki Kim, and Examiner Khanh Le participated in the interview. While no agreement was reached, the interview was very helpful. The substance of the interview is set forth in the remarks below.

35 U.S.C. §112 Rejections Addressed

Claims 28-32, 34-47 and 50-66 are pending in the current application. Claims 28, 40, and 45 are the independent claims. Claims 28, 30, 35, 40, 44, 45, 52, 63, 64, 65 and 66 are amended herewith.

In the Office Action, claims 28, 40, and 45, and their dependent claims, were rejected under 35 U.S.C. §112 for allegedly failing to comply with the written description requirement, and also for allegedly being indefinite. In particular, the Examiner considered the phrase "compensation based on the supply of and demand for each user depending on demographics of the user" allegedly contained subject matter which was not described in the specification in a way that would reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The Examiner also stated in the phrase "supply and demand" allegedly makes no sense when being referred to an individual. Applicants respectfully disagree, and maintain their reasons for the disagreement as stated in the previously filed Office Action responses.

Nevertheless, the Applicants, in a good faith attempt to advance prosecution of the present application, and in order to more clearly define the scope of patent protection to which they are entitled, have amended herein each of the currently pending independent claims, namely, claim 28,

claim 40 and claim 45, to remove the above phrase the Examiner found non-compliant to 35 U.S.C. §112. Accordingly, it is respectfully requested that the Examiner withdraw the rejections under 35 U.S.C. §112 as being moot.

35 U.S.C. §102 Rejections Addressed

Claims 28-32, 34-47 and 50-66 were rejected under 35 U.S.C. 102(b) as allegedly being anticipated by U.S. Patent 5,721,827 to Logan ("Logan").

In applying Logan to formulate the above rejection, once again, notwithstanding that it was the Examiner who had suggested the inclusion of the claim language "if the user elects to view advertising with the program, receiving no choice compensation from the user." to each of the independent claims (See Applicant's Response filed January 23, 2007 at 13), the Examiner uses the above inclusion to allege that the other conditional step that had been in the claim before the above inclusion is somehow now "optional." Specifically, the Examiner now alleges:

> "As to "if the user elects to not view advertising with the program, receiving a choice compensation…etc[,]" this limitation is ignored as an OPTIONAL or ALTERNATIVE limitation. Since the two "if" limitations are mutually exclusive, they both cannot limit the claim. MPEP 2111.04 and 2173.05(h)II. In this case, Logan teaches the first alternative (if the user elects to view advertising…)" [Office Action at 5]

Applicants respectfully disagrees that either of the two conditional steps is optional as both are required step to be performed. The sections of the MPEP the Examiner has cited are inapposite here. For example, §2111.04 of the MPEP provides, in relevant portion, that claim scope "is not limited by claim language that suggests or makes optional but **does not require steps to be performed**…" [Emphasis added] Here, according to the rejected claims, if the user chooses the

option to view the programming with the advertisement, then the step of "receiving no choice compensation from the user" must be performed, and if on the other hand the user chooses not to see the advertisement, then the step of "receiving a choice compensation from the user" must be performed. Thus, both steps are required to be performed, and are not optional. The other MPEP section the Examiner cited has to do with analysis under 35 U.S.C. §112, and, since the Examiner did not make a §112 rejection of the above two steps, has no application here.

Foregoing notwithstanding, in order to advance prosecution of the present application, Applicants have amended each of the independent claims to remove the claim language "if the user elects to view advertising with the program, receiving no choice compensation from the user," which presumably caused the Examiner to conclude the claimed steps were optional.

Furthermore, to expedite allowance of the present application, which has been pending before the Patent Office for over six years, Applicant has amended herein each of the independent claims, claim 28, 40 and 45 to recite subject matter, which the Examiner has already indicated as being allowable.

For example, as amended herein, claim 28 recites, *inter alia*, "prompting the user ….to choose an option of whether or not the user wishes to view advertising with that program;" and "receiving a choice compensation from the user in response to the user electing to not view advertising with the program, wherein the choice compensation is based at least in part on a rating of the content being supplied."

A claim directed to similar subject matter was presented to the Office once before. In particular, in the Applicant's Response filed September 14, 2005, a claim, then numbered 46 was presented, which recited in its entirety:

> 46. A method for a content provider, comprising:
> offering to provide content over a data network to a user with a first option to receive the content without advertising and a second option to receive the content with advertising;
> receiving, from the user, a choice of either the first option or the second option;
> providing the content, over the data network, to the user based on the received choice; receiving a choice compensation if the user elects the first option;
> wherein the choice compensation is determined based on the ratings of the content being supplied. [Emphasis Added]

In the subsequent office action (mailed December 6, 2005), the Examiner had initially rejected the above then claim 46 based on Logan.

> "As to claim 46, the limitations common to the previous claims are rejected as above-discussed. Further, Logan discloses: wherein the choice compensation is based on the ratings (interpreted as quality) of the content being supplied (col. 26 l.53-col. 27 l.8)." [office action dated December 6, 2005 at 9]

Before Applicants responded to the December 6, 2005 office action, however, an interview with the Examiner was held on May 5, 2006, during which the Examiner suggested that if the subject matter recited in then claim 50 were added to each of then independent claims, the application might receive a favorable consideration (See PTOL-413 Interview Summary of the May 5, 2006 interview and subsequent Applicant's Response filed on June 5, 2006 at 1). Following the Examiner's suggestion, Applicants amended in their June 5, 2006 Response each of the independent claims to include the subject matter of then claim 50, which included the following limitations:

> "wherein the choice compensation based on:
> supply and demand per user depending on demographics of the user; or
> ratings of the content being supplied; or
> viewing habits of the user; or
> any combination thereof.

Importantly, however, in the June 5, 2006 Response, notwithstanding the above claim amendment, Applicants also pointed out with respect to the previous rejection of claim 46 that:

> "The Examiner stated that Logan discloses "wherein the choice compensation is based on the ratings (interpreted as the quality) of the content being supplied," citing column 26, line 53 to column 27, line 8 of Logan. Applicant respectfully disagrees. This section of Logan merely states that "each content and advertising segment can have a different rate, allowing the system to accommodate charging rates that reflect different programming costs. Such costs frequently are affected by the royalty rates charged by content providers as well as the extent to which costs are defrayed by advertisers." This section discloses different rates for the content based on royalty rates, but does not disclose choice compensation being based on the ratings of the content being supplied, e.g., the choice compensation depending on how popular the program is." [Applicant's June 5, 2006 Response at 11]

In the subsequent office action, the Examiner agreed with Applicant that Logan does not disclose, teach or suggest the choice compensation being determined based on the ratings of the content being supplied, yet rejected the independent claims based on the language that were added following the Examiner's suggestion.

> "11. The argument as to Logan not teaching "wherein the choice compensation is determined based on the ratings of the content being supplied," is persuasive. That part of the rejection is withdrawn[. H]owever the independent claims are rejected based on the choice compensation being based on the viewing habits of the user." [paragraph 11 of the office action dated August 23, 2006 at 9].

As the Examiner admits, Logan does not disclose, teach or suggest the choice compensation being based on the rating of the program being provided to the user. Nor does US Patent No. 6,571,216 to Garg et al. ("Garg"), the other reference the Examiner had relied in her previous office actions, cure the above deficiency of Logan. Garg describes a reward distribution system in the general market place, and is not specifically concerned with the provisioning of programming. Garg is thus silent with respect to programming, let alone the ratings of the same.

Each of the claim 28, 40 and 45 as amended herein recites, *inter alia*, "wherein the choice compensation is based at least in part on-a rating of the content being supplied." It is respectfully submitted that none of the art of record discloses, teaches or suggest this limitation.

For at least foregoing reasons, Applicants submit that amended independent claims 28, 40 and 45 are allowable. Claims 29-32, 34-39, 41-44, 46-47, and 50-63 depend from claim 28, 40, or 45, and are thus also allowable for at least the same reasons.

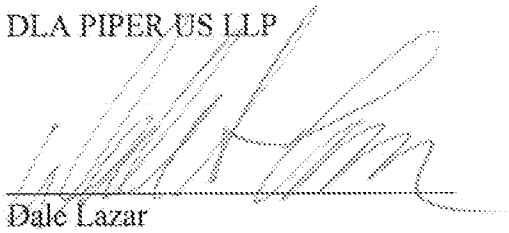
CONCLUSION

Applicant believes the objections and rejections in the Office Action have been addressed and that the application is now in condition for allowance, which is honestly solicited. The Examiner is invited to contact the undersigned by telephone should the Examiner believe that personal communication will expedite prosecution of this application.

Please charge any shortage in the fees or credit any overpayment to Deposit Account No. 50-3266.

Respectfully submitted,

DLA PIPER US LLP



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